

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 01744 111523Z

ACTION EB-08

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 ISO-00 AGRE-00
CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 SP-02 STR-04
TRSE-00 FRB-03 OMB-01 ITC-01 L-03 PA-01 PRS-01 USIA-06
/075 W

-----120335Z 125918 /73

R 102130Z MAR 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 1003

INFO AMEMBASSY ABIDJAN

AMEMBASSY BOGOTA

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY MANILA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY SANTO DOMINGO

AMEMBASSY TEGUCIGALPA

AMCONSUL GUAYAQUIL

PANCANAL

USSOUTHCOM

C O N F I D E N T I A L PANAMA 1744

E.O. GDS

TAGS: ECIN, PN

SUBJECT: UNION OF BANANA EXPORTING COUNTRIES (UPEB) ESTABLISHES
LATIN AMERICAN BANANA CORPORATION

REF: (A) PANAMA A-39, 3/22/76; (B) PANAMA 1292, 3/19/76

SUMMARY. THE LONG-AWAITED ESTABLISHMENT OF THE BANANA

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 01744 111523Z

MARKETING CORPORATION BY UPEB COUNTRIES TOOK PLACE IN PANAMA
ON MARCH 5. ITS PRIMARY GOAL WILL BE PROMOTION EXPORTS TO
SUCH NON-TRADITIONAL MARKETS AS EASTERN EUROPE AND ARAB
COUNTRIES. UNITED FRUIT REP IN PANAMA INDICATED HIS COMPANY
NOT CONCERNED AS IT QUESTIONED VIABILITY COMUNBANA VENTURE.
HOWEVER, UNITED FRUIT BELIEVED COMUNBANA COULD BE USEFUL
UPEB WEAPON TO ASSURE GOOD BEHAVIOR FROM AMERICAN

BANANA CORPORATIONS AND BETTER DEALS FOR INDEPENDENT
BANANA GROWERS. END SUMMARY.

BEGIN UNCLASSIFIED.

1. LOCA PRESS WIDELY PUBLICIZED THE SIGNING OF CHARTER OF
COMERCIALIZADORA MULTINACIONAL DE BANANO "COMUNBANA"
(REF B) IN PANAMA CITY, MARCH 5 BE UPEB (REF A) MEMBERS,
COLOMBIA, COSTA RICA, GUATEMALA, HONDURAS AND PANAMA.
PRESENCE AT CEREMONY OF GOP CHIEF TORRIJOS RELECTED GOP'S
HIGHEST CONSIDERATION TOWARD COMUNBANA.

2. FOLLOWING SUMMARY PRESS RELEASE PREPARED BY UPEB,
EXECUTIVE DIRECTOR, HERNAN VALLEJO MEJIA: COMUNBANA,
PARTIALLY FUNDED BY INTER-AMERICAN DEVELOPMENT BANK, AS
WELL AS BY STATE AND PRIVATE CAPITAL, WILL BE
REGULATED BY SPECIAL PANAMANIAN LAW AND EXPECTED IN
OPERATION WITHIN SIX MONTHS. ITS PRINCIPAL OBJECTIVE
WILL BE EXPORTING BANANAS AND BY-PRODUCTS TO SUCH NON-
TRADITIONAL MARKETS AS EASTERN EUROPE AND ARAB COUNTRIES.

3. UPEB CONSIDERED ESTABLISHMENT COMUNBANA JUSTIFICATION
FOR OBTAINING GREATER PARTICIPATION AND AUTONOMY IN
BANANA INDUSTRY. OUT OF TOTAL AREA OF BANANA CULTIVATION
FOR EXPORT IN COSTA RICA, GUATEMALA, HONDURAS AND PANAMA,
BETWEEN 53 AND 76 PERCENT BELONGED TO THE BIG THREE:
STANDARD FRUIT, UNITED BRANDS (OR UNITED FRUIT) AND DEL
MONTE. OUT OF TOTAL BANANA EXPORTS FROM UPEB COUNTRIES
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PANAMA 01744 111523Z

IN 1976 ABOUT 92.7 WAS MARKETED BY THE BIG THREE.
TRADITIONAL MARKETS HAVE HAD ONLY MODERATE INCREASE DURING
LAST FIVE-YEAR PERIOD, BUT INCREASE IN NON-TRADITIONAL
COUNTRIES HAD BEEN CONSIDERABLE. EASTERN EUROPE AND ARAB
COUNTRIES ACCOUNTED FOR ABOUT 67 PERCENT OF TOTAL WORLD
BANANA MARKET GROWTH DURING SIMILAR PERIOD. COMUNBANA
EXPECTED TO INITIALLY EXPORT 133,000 M. TONS IN 1978 AND
REACH 213,000 BY 1980. END UNCLASSIFIED.

4. BOBBY WALKER, UNITED FRUIT'S GENERAL MANAGER IN PANAMA,
TOLD COM COUNSELOR MARCH 8 THAT, SO FAR UNITED FRUIT
NOT CONCERNED AS IT QUESTIONED VIABILITY COMUNBANA ENTER-
PRISE. IT WILL HAVE A TOUGH JOB GETTING MONEY, BANANAS,
SHIPS AND CUSTOMERS. HE BELIEVED UPEB STILL INEFFECTIVE
WITHOUT ECUADOR'S PARTICIPATION. HOWEVER, UPEB COULD USE
COMUNBANA AS WEAPON FOR "BIG THREE" TO "BEHAVE" AND GIVE
INDEPENDENT BANANA GROWERS BETTER DEALS. VALLEJO MUST
SHOW POSITIVE RESULTS FOR UPEB DURING NEXT FOUR YEARS AND
ALSO GET COMUNBANA GOING. HIS PERSONAL AMBITIONS ARE TO

EITHER REPLACE ORFILA IN OAS IN 1980 OR RETURN TO COLOMBIA SHOULD HIS CONSERVATION PARTY THERE GET INTO POWER. IT IS UNITED FRUIT'S ASSESSMENT THAT VALLEJO IS AFRAID OF LEFTIST ELEMENTS IN LATIN AMERICA AND THAT HE WOULD GO OUT OF HIS WAY IN FINDING A MODUS VIVENDI WITH UNITED FRUIT THROUGH MUTUAL COOPERATION WHETHER IN BANANAS OR IN DIVERSIFICATION VENTURE.

JORDEN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE PROMOTION, MARKETS, BANANAS, ESTABLISHMENT OF OFFICES
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PANAMA01744
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770148-1218, P770062-0425
Format: TEL
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770371/aaaackjj.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 25e43dba-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 PANAMA A-39, 77 PANAMA 1292, 76 PANAMA A-39, 76 PANAMA 1292
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3144391
Secure: OPEN
Status: NATIVE
Subject: UNION OF BANANA EXPORTING COUNTRIES (UPEB) ESTABLISHES LATIN AMERICAN BANANA CORPORATION
TAGS: ECIN, ETRD, PN, XK, CO, UPEB, COMUBANA, COMUNBANA
To: STATE ABIDJAN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/25e43dba-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009